

## Madam Chairman, Councillors

### Introduction

I am here representing the three Hitchin residents groups that sit on the Churchgate Liaison Forum - The Hitchin Society, Hitchin Historical Society and Hitchin Forum, all three organisations are community members of Hitchin Initiative, - but more importantly, for the **3,140 people** who have signed our on-line petition in the past week. We speak with one voice, we want you to **say no** to extending the contract that you have held with Simons over the past 3 years. I will explain why under a series of headings.

It has been difficult to keep up with the changes from Simons, with their position changing even from their presentations at the **Churchgate Liaison Forum** 2 weeks ago to the content of the report in front of you, and indeed we discover new images produced tonight.

That forum followed their exhibition, where concepts were presented. There were misleading artistic impressions, and outline plans, the architect spending just a few weeks in drawing them up.

We have many detailed concerns about Simons' proposals that have been aired regularly over the past three years. We do **not** intend to repeat them here – we are concerned tonight with issues that the whole Council should consider before coming to its verdict.

### The Risks of Extending Simons' Contract

The report by officers lists large numbers of Pros and Cons. We would like to highlight the areas where we believe the Council is at considerable financial risk, **and that will affect other parts of the district**, if, as we think is obvious, it is the wrong scheme, at the wrong time, in the wrong place.

Simons said 2 weeks ago that they might need £2m from NHDC for the scheme. Last Friday they said that they could do without it. Good work guys! But what will they say next week? Next year? In 5 years? The report indicates that the Council would remain open to future 'requests' for funding to meet a shortfall.

In any event, the Council should not have been asked to provide funds to subsidise Simons' shareholders and assurances should be sought as to the legality of any such funding.

How have Simons saved £2m in the past 2 weeks – it sounds like back of the envelope calculations which probably involve denser housing, cheaper materials and poorer quality. Are you content that the scheme should proceed on the basis of penny-pinching?

We note that 3 months ago Simons asked the West Dorset Council for an extra £2m to move a community church in the town centre development they are engaged in. That caused a protest but the Council approved it. They are a cash rich Council. Are you?

Other Simons' schemes such as Witney, held up originally as exemplar projects, are now seen to have 25% vacancies of the non-anchor stores.

We are told that prospective Churchgate anchor tenants would demand extensive (maybe 8 years) rent holidays as inducement to come and that there would be reduced rent to the Council if overall occupancy rates turn out to be lower than expected. We invite you to ask whether the Council's income from the project would be at risk if take-up of the units turned out to be poor.

We were told at the recent Churchgate Liaison Forum, the first for almost 2 years, of the real risk that insufficient money would be available to draw in an anchor tenant. Simons have no prospective anchor tenant, yet the scheme depends on one for its viability.

The existing Churchgate Centre would have to be **compulsorily purchased**, because, as Simons have admitted, their scheme is not otherwise viable. The present leaseholder gives every indication that he does not want that, and that his legal advice is that the Council could not succeed with a CPO. We believe that, even if successful, Compulsory Purchase could cost a lot. The present leaseholder bought Churchgate for £3m 12 years ago. How much would that go for now, a prime town centre site? How much would the legal costs be? What are the risks of embarking on that project if those are the stakes? We are told that there are also ransom strips that would further complicate matters and may have to be bought out. Have these risks been adequately covered in the Council's report?

We do not want to land **Councillors and council tax payers from other parts of the District** with bail out costs. The Council report states that there **might** be financial advantages for the District from this scheme, but the evidence for this is not apparent in the report. There are enormous risks in any large retail development today. The report should state that clearly, but it does not.

We would therefore invite you to consider whether the financial risks for the Council in extending Simons' contract are too large to be prudent.

### **The Changing Shape of Retail**

We have a first rate town centre manager who in his spare minutes writes an excellent column for the Comet each week. It is full of insight about the retail and town centre scene. Sky News were hunting for him last week, wanting to talk to someone involved in the unusual phenomenon of a successful town centre. **Simons have not had a meeting with him for a year.**

We want to continue supporting our retailers, our market traders and our town centre manager in continuing to buck the dreary news from other areas. The town centre manager says that the 21st century approach is to talk about **destination experience rather than shopping centres**, reports from all over say that the old high street needs to change. Part of

that destination experience is the historic environment of Hitchin which needs to be protected. A large store overshadowing one of our oldest buildings – the Biggin – and a multi-storey car park facing St Mary’s Church - are not appropriate.

The DTZ report – of which we have only seen a part, says in appendix F that life has changed over the past 3 years, retailers are ‘globalizing, digitising and polarising’. The overall strategy is based on a smaller number of stores; developers’ ability to progress schemes has been severely affected. The DTZ report says that a number of councils have recognized this, the Council report does not.

When this process started it was thought that Hitchin might need more large stores to keep up with the neighbouring towns and to stop migration of shoppers there. Now Hitchin is seen as very successful with a vacancy rate half the national average but that current position is fragile.

Retail patterns have changed, internet shopping has taken off, the concept of destination town centres where entertainment and social events happen. It is less about shops, and more about creating an enjoyable day or evening out. The Simons thinking seems set in the 20th century, not the 21st. We believe that the Simons retail model is out of date. No one can want a large scale scheme that may fail.

We have been told that there must be an anchor or large store to launch the project. At the Churchgate Liaison Forum M&S was mentioned as an interested party. The next day M&S boss Marc Bolland said “we remain cautious about the outlook ..... Our plan is to transform Marks & Spencer from a traditional UK retailer to an international multi-channel retailer and we **are not building traditional stores**”.

### **The Market**

Three years ago, Simons claimed that they had a solution for the town. That solution fell apart the moment it was subjected to scrutiny because the proposals for the market did not work. From then till now, Simons have been unable to find a workable scheme for the market.

The market is acknowledged as a major draw, successful because it is community managed, and its future health is as vital. The market representative on the Liaison Forum, spoke very clearly about the practical problems posed by the Simons scheme, it is not just the site, but all the talk about demountable and temporary stalls. **Simons have not spoken to the market traders over the past year.** The market traders want to improve the market. They have made various improvements over the past 4 years. The Simons contract stops them getting grants to do more. It is a blight.

### **Timing**

There is a blithe assumption in the officers' report that the Simons scheme can be delivered by 2018, without any evidence that a viable scheme is anywhere in view. It is stated in the Council report that an alternative cannot be delivered until 2028. We invite you to ask whether there is any real evidence behind these statements, or are they just **scaremongering?**

### **Summary**

£500,000 has been spent and cannot be regarded as wasted – an attempt has been made to get it right which has not worked out. That's OK – let's move on.

We started a **Petition** just 8 days ago. I had attended a meeting at the Sun Hotel about Churchgate organized by Keep Hitchin Special. There was some mention of a petition then, but Hitchin Forum had thought it unlikely to help in such a short time. A 28 year old fellow emailed me and said it could be done, **and it was**. In just one week it has had 3140 signatures, and almost 1100 individual comments. I hope you have had the opportunity to read them. Many of the points I have made today are reinforced by petitioners' comments.

**That 28 year old** is quoted in today's Comet, saying "It's been said a small group of pressure groups are anti-development. It's not about being anti-development, it's about the plans being in keeping with the town, and a lot of young people are anti the Simons plan, as this petition shows."

To give balance I have met one person, the only one, who wanted Simons to be given the go-ahead. He thought it was the **only way** to get Churchgate improved. **There is another way. We all want Churchgate improved – the retailers, the shoppers and those that just wander through.**

We have found no compelling reason in the officers' report to justify an extension of contract. The contract was entered into knowing that the country was in recession. The uncertainty continues to increase. There ought to be an important reason to justify extending, but none is evident.

The vote tonight is not about whose scheme is better than anyone else's; it is simply a question of whether to extend the timetable for Simons. It is not about the financial viability of any other potential alternative; it is whether Simon's through their actions over the last 3 years merit an extension – we believe absolutely that they do not.

**Tonight you can say no to Simons, which will be good for the health of Hitchin and, we think, for the finances** of the council and the rest of the district.

**This is a decision that arises once in a lifetime, but the consequences will be with us for more than a lifetime**